

Operating Agreement for FLYworks, LLC

806 S. Broadway Ave.

Tyler, TX 75701

EIN 80-0554242

Statement of Purpose

FLYworks, LLC is established to provide community services to the children of Tyler, Texas and surrounding area. FLYworks, LLC will operate as a conduit entity to facilitate low-cost dance training for the youth of greater Tyler and to promote dance as an activity for the improvement of physical health and life skills.

Governing Members

Governing company members, Kathy S. and Michael B. Wood, will make all company decisions but will draw no salary for their efforts in running the company.

Use of Profits

All after tax profits of FLYworks, LLC, be it from performance fees or honoraria, dance camps, dance workshops, contributions, or other income-producing activities, will be utilized for the expenses of the operation and promotion of FLYworks, LLC and, where possible, to minimize the cost of participation in the various programs, functions, and events of FLYworks, LLC.

Long-term Plan

Any after tax profits will be reinvested to enhance the program's quality, increase income from performances, dance camps, workshops or other company events and to provide a facility for the continuation of the program. If the governing members are unwilling or unable to continue the company, an attempt will be made to sell the company to an entity believed to be capable of carrying on the program or otherwise turned over to City of Tyler so that the program can be continued as a service for the community.

Taxation

Flyworks LLC will be taxed as a partnership, filing Form 1065 annually with the Internal Revenue Service. Additionally, due to the LLC status, the Texas Franchise and Public Information Report will also be filed.